1   CLAIMS

2   We Claim

3   1.   A system for investing in a stocks comprising:

4   a process for screening and sorting and picking stock to

5   purchase where one of the screening criteria is the

6   existence of a market for options contract for the stock;

7   a process for the periodic purchase of blocks of stock

8   where the size of the size of blocks relate to the number

9   of shares in an option contract; and

10   a process for the sale of options for the blocks of stock

11   currently owned in the picked stock.

12   2.   The system of claim 1 where the process for the periodic

13   purchase of blocks of stock further comprises a constraint

14   that spreads out the price of stocks purchased by

15   preventing the purchase of too many shares a prices that

16   are too close together.

17   3.   The system of claim 1 where the process for sale of option

18   contracts prevents the sale of options which if exercised

19   would result in a net loss.

20   4.   The system of claim 3 where the process for sale of options

21   takes into consideration the brokerage expenses and premium

22   income from the sale of option contracts.

23   5.   The system of claim 1 wherein the screening and sorting and

24   picking process includes liquidity constraints.

1   6.   The system of claim 5 wherein the liquidity constraint

2   includes a lower limit of the volume of trading in the

3   stock.

4   7.   The system of claim 5 wherein the liquidity constraint

5   includes based on the lower floor of the price of the

6   stock.

7   8.   The system of claim 5 wherein the liquidity constraint is

8   an option liquidity constraint.

9   9.   A system for investing in a stocks comprising:

10   a process for screening and sorting and picking stock to

11   purchase where -

12   stocks with no option contract market are exclude,

13   a liquidity constraint are imposed to exclude stocks

14   based on risk of difficult of selling the stock, and

15   stocks are sorted by the option contract bid price so

16   that preference is given to stocks with higher option

17   contract bid prices;

18   a process for the periodic purchase of blocks of stock

19   where the size of the size of blocks relate to the number

20   of shares in an option contract where -

21   a clustering constraint prevent the clustering of too

22   many shares of stock at similar purchase prices; and

23   a process for the sale of options for the blocks of stock

24   currently owned in the picked stock where -

1   a stock bundler bundles the blocks of stock based on

2   the purchase price of the stock to optimize the income

3   from the sale of option contracts.

4   10.   The system of claim 9 wherein the constraint that prevents

5   the clustering of too many shares of stock provides the option

6   of selling a put in the stock if the clustering constraint

7   prevents a purchase of a block of stock.

8   11.   The system for managing a stock holding position by

9   spreading the purchase of stock over a period of time while

10   simultaneously and periodically selling option contracts in the

11   purchased stock which incorporates a band rule constraint which

12   prevents purchasing too many shares of stock at prices that are

13   grouped too closely together and bundling system for bundling

14   stocks based on their price to maximize the premium income that

15   can be obtained from selling option contracts profitably for the

16   stock holding.